

AMENDMENT NO. 2 TO EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT

This Amendment No. 2 to Exclusive Negotiating Rights Agreement (this "**Amendment**") dated as of June 16, 2015 (the "**Effective Date**"), is between the CITY OF SANTA CLARA, a municipal corporation (the "**City**"), and RELATED SANTA CLARA, LLC, a Delaware limited liability company ("**Developer**"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties".

RECITALS

A. City and Developer previously entered into an Exclusive Negotiating Rights Agreement dated April 9, 2013, as amended by that certain Amendment No. 1, dated July 1, 2014 (the "**Agreement**"). Capitalized terms that are not defined in this Second Amendment have the meanings set forth in the Agreement;

B. The parties entered into the Agreement for the purpose of establishing procedures and standards for negotiation by the City and the Developer of a disposition and development agreement (the "**DDA**") pursuant to which the Developer would conduct specified development activities related to the Property; a Development Agreement ("**DA**") and the form of property conveyance documents.

C. In accordance with Section 2 of the Agreement, the Negotiating Period begins on April 9, 2013 and ends on March 15, 2016. The Agreement provides that the Negotiating Period may only be extended by formal amendment of the Agreement.

D. During the Negotiating Period, City and Developer have diligently pursued negotiations regarding development of the Property, including the execution of a Term Sheet, dated February 11, 2014, a Term Sheet Supplement, dated July 1, 2014 and preparation of draft transactional documents. In addition, the parties are diligently pursuing entitlements for the Property, including preparation of an Environmental Impact Report, a Master Community Plan and associated planning and entitlement documents.

E. In order to provide sufficient time for the completion of entitlements and preparation of final Project documents, the parties now wish to amend the Agreement to extend the Negotiating Period through September 15, 2017.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Developer agree as follows:

1. **Negotiating Period.** Section 2 of the Agreement is hereby amended in its entirety to read as follows:

2. **Negotiating Period.** The negotiating period under this Agreement shall begin on April 9, 2013 and shall end on September 15, 2017 (as it may be extended from time to time as provided below, the "**Negotiating Period**"). If the City and Developer execute the DDA

and the DA before the end of the Negotiating Period, the end of the Negotiating Period shall be automatically extended until five (5) business days after the last day on which a legal challenge to approval of the DDA, the DA, the EIR or other Project approvals given at approximately the same time as the DDA is approved (collectively, "**Project Approvals**") may be filed. If such a legal challenge is timely filed, the Negotiating Period shall be automatically extended until (1) the effectiveness of the Project Approvals shall have been finally settled or upheld by a final, unappealable decision of the California courts without any material adverse effect on the Project Approvals, or (2) if such final settlement or unappealable decision does not uphold the effectiveness of the Project Approvals as provided in clause (1), then ninety (90) days following the date of such final settlement or unappealable decision or such additional time as may be required by the City to prepare such additional or revised environmental documents and for the City to consider the revised Project Approvals for re-approval in accordance with the terms of the applicable final settlement or unappealable decision.

The Negotiating Period may also be extended for an additional two periods of six (6) months each upon presentation of a written request from the Developer together with a schedule of tasks to be accomplished during the additional period, at the discretion of the City Manager.

The Negotiating Period may be further extended or modified only by formal amendment of this Amendment executed by the City and the Developer. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the April 9, 2013 and terminate on September 15, 2017.

If a DDA has not been executed by the City and the Developer by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement except as set forth Section 3.6. If a DDA is executed by the City and the Developer then, upon such execution, this Agreement shall terminate, and all rights and obligations of the Parties shall be as set forth in the executed DDA.

**2. Developer Cooperation and Coordination with Adjacent
Parcels.** Section 8 of the Agreement is hereby amended in its entirety to read as follows:

8. Developer Cooperation and Coordination with Adjacent Parcels.
Developer acknowledges that the City has an existing Exclusive

Negotiations Agreement with Montana Property Group, LLC, a California limited liability company ("MPG") for the adjacent City owned parcels ("Tasman Lots") south of the Property (APN 104-03-038- and -039 and a portion of APN 104-03-036). The Parties acknowledge that Developer has entered into a joint venture agreement with MPG in which the Tasman Lots would be added to the Property to be developed pursuant to the same DDA and DA contemplated under this Agreement. For so long as Developer and MPG remain in a joint venture relationship, the Parties agree that the site planning efforts and negotiations for the Tasman Lots will be included as part of the site planning efforts and negotiations for the Property hereunder. In the event that Developer and MPG are no longer in a joint venture relationship, then Developer agrees to cooperate with and, to the extent possible, coordinate site planning efforts with MPG or an successor developer of the Tasman Lots. The coordination of site planning efforts shall address access, entranceway placement, location of facilities and such other matters as may be necessary or desirable to integrate/enhance the function of both areas for development purposes. Such cooperation and coordination of the master planning for both areas will be at the sole cost and expense of Developer.

3. **Terms.** All other terms of the Agreement which are not in conflict with the provisions of this Amendment shall remain unchanged in full force and effect. In case of a conflict in the terms of the Agreement and this Amendment, the provisions of this Amendment shall control.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the City and Developer have duly executed and delivered this Second Amendment as of the Effective Date.

CITY

CITY OF SANTA CLARA, CALIFORNIA,
a chartered California municipal corporation

APPROVED AS TO FORM:

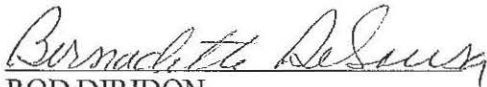


RICHARD E. NOSKY, JR.
City Attorney



JULIO J. FUENTES
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

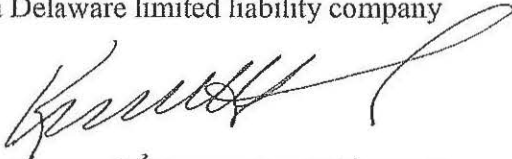
ATTEST:



for ROD DIRIDON
City Clerk

DEVELOPER:

RELATED SANTA CLARA, LLC,
a Delaware limited liability company



Name: KENNETH N. KAMA
Title: MANAGING PARTNER